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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000195

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SUBJECT: KURDISH LEADERS, ALLAWI AGREE ON JOINT PRINCIPLES

FOR A UNITY GOVERNMENT

Classified By: Ambassador Zalmay Khalilzad for reasons 1.4 (b) and (d).

- 11. (C) SUMMARY: In a series of meetings at the Kurdistan Democratic Party (KDP) Guest House in Salah al-Din on January 21-22, Ambassador, President Jalal Talabani, KDP Leader Masud Barzani, former Prime Minister Ayad Allawi, and UK Ambassador William Patey drafted a framework proposal for a national unity government based on the following six points: the inclusion of the four main political parties (Kurdish Alliance, National Iraqi List, Shi'a Coalition, and Tawafuq); the formation of a National Security Council (NSC) that will act as the main policymaking body for the GOI; representation from the four government partners in the "sovereign" and service ministries, and oversight of groups of ministries by one of the Deputy Prime Ministers; program for the GOI to address strategic issues in the three ministerial groups; NSC oversight of independent national institutions (such as the de-Ba'athification Commission); and restraining the de-Ba'athification Commission from barring candidates for the Council of Representatives (COR).
- (C) SUMMARY CONTINUED: In a wider discussion on January 22, Foreign Minister Hoshyar Zebari and Deputy Prime Minister Rowsh Shaways expressed their concern that the NSC would effectively act as a "shadow government" and questioned the need for more layers to a GOI that already appears to have a difficult path ahead of it. Ambassador reassured them that everyone in the NSC, with the exception of the regional presidents, would already be part of the federal government, and stated that the NSC was allowed under the Constitution. Ambassador and Patey pressed for the government formation talks to start right away. They warned that the Shi'a Coalition wants a unity government partners of only the Kurds, the Shi'a, and Sunni Iraqi Islamic Party (IIP). Shi'a need to hear from the Kurdish leadership that the Kurds do not envision a national unity government under the same terms. While agreeing with Zebari and Shaways that the permanent government should be the best possible one they can negotiate, Ambassador and Patey reminded the Kurds that time is also a factor. Barzani confirmed he will come to Baghdad within the week to begin talks on government formation. END SUMMARY.

## (U) A Joint Agreement on Principles

- 13. (C) In a series of meetings at the KDP Guest House in Salah al-Din on January 21-22, Ambassador, President Jalal Talabani, KDP Leader Masud Barzani, former Prime Minister Ayad Allawi, and UK Ambassador William Patey drafted an agreement on the following six points:
- The National Government must at least include the following four parties: Shi'a Coalition, Kurdish Alliance, National Iraqi List (Allawi), and National Accord List (Tawafuq).

None of these parties can be vetoed from participating.

- A National Security Council (NSC) will be formed that includes the President and his Vice-Presidents, the Prime Minister and his Deputies, the Speaker of the Council of Representatives (COR), and the Presidents of the regions. The NSC will lay out the strategic initiatives and create policies that reflect national unity.
- Ministries shall be distributed into three core groups, each led by a Deputy Prime Minister: security (the sovereign ministries of Interior, Defense, and Intelligence); "important ministries" (Finance, Economy, etc.); and Service ministries (Health, Educations, etc.) The candidates for the Ministries of Defense and Interior must be either neutral or acceptable to all parties participating in the government.
- The GOI must agree on a program to address cooperatively strategic issues in the three ministerial groups.
- The NSC will reconsider the formation and bylaws of independent national institutions, both those mentioned in the constitution and others such as the Commission for Public Integrity, the de-Ba'athification Commission, the Press Commission, Financial Audit, and the Service Council (if it exists). These institutions must embody national unity in their work.
- The reluctance of the de-Ba'athification Commission to sanction the participation of the some of candidates in the  ${\tt COR}$  must cease.
- (U) Concerns About Nature, Scope of NSC

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Rowsh Shaways expressed their concern that the NSC would effectively act as a "shadow government" and questioned the need for more layers in a GOI that already appears to have a difficult path ahead of it. Zebari insisted that all proposals should be in line with the precepts laid out in the Constitution. He and Shaways - both members of the KDP - spent three months negotiating with their counterparts in the Patriotic Union of Kurdistan (PUK), Barham Saleh and Fuad Masum, on the composition and the scope of the President and

14. (C) In a wider discussion of the principles on January 22, Foreign Minister Hoshyar Zebari and Deputy Prime Minister

- deputies, Prime Minister and deputies, Speaker of the COR and deputies, and the ministries. According to Zebari and Shaways, the PUK is fixated on Defense, Finance, Oil, Interior, and Intelligence. They also are concerned about the Health, Transportation, Education, Environment and Women's Rights portfolios.
- ¶5. (C) Ambassador reassured Zebari and Shaways that everyone in the NSC, with the exception of the regional presidents, would already be part of the federal government, and stated that the NSC was allowed under the Constitution. UK Ambassador Patey presented a counterargument to their fear of a "shadow government" with the NSC, explaining that the COR would retain its function as the primary legislative body in Iraq, and that anyone confirmed by the COR could be dismissed by the COR. Ambassador and Patey confirmed for Shaways that the Deputy Prime Ministers in charge of the three groups of ministries would have to report to the Prime Minister directly.

## (U) No Time Like the Present

16. (C) Ambassador and Patey stated that the discussions between the main parties on government formation needed to start right away. Patey argued that while those present had

agreed the national unity government would include the four parties mentioned above, the Shi'a Coalition is still operating under the assumption that the unity government consists only of the Kurds, the Shi'a, and Sunni Iraqi Islamic Party (IIP). The Shi'a need to hear from the Kurdish leadership that the Kurds do not envision a national unity government under the same terms. If Barzani came down to Baghdad this week to negotiate the terms of a national unity government, the ensuing details could be worked out by others. Allawi added that he had scheduled a meeting for January 23 with the leaders of Tawafuq.

- 17. (C) Shaways argued that the groups needed to discuss a statement of general principles first and then delegate these issues to chosen representatives to work out the details. The primary argument against this, Ambassador stated, is that it would take time. Ambassador stated that the Shi'a need to learn that the world will not support them if they push to exclude groups from the government. This only feeds the sectarian conflict. While agreeing with Zebari and Shaways that the permanent government should be the best possible one they can negotiate, Ambassador and Patey reminded the Kurds that time is also a factor. The key thing, remarked Patey, is not to give the Shi'a the impression that the need for haste gives them an advantage in the negotiations.
- 18. (C) Zebari then argued that a principles statement is unnecessary they should just start with the committees and let the process develop organically. Everyone disagreed with this approach, and Patey stated that that would take even more time than drafting a principles statement. Ambassador argued that the working groups could start as soon as the principals gathered in Baghdad, and would report daily on their progress in the committees.

## (U) Barzani is Coming

19. (C) Zebari reported that Barzani would come to Baghdad as soon as the final legislation on the merger of the Kurdistan Regional Governments (KRGs) was passed. This legislation was supposed to be presented yesterday at the ceremony for the official announcement of the merger. This law would authorize the nomination of the Prime Minister and his Deputy for the unified KRG, and charged the Prime Minister with forming a government. Ambassador was subsequently told Barzani would arrive in Baghdad within the week. KHALILZAD